

**QUARTERLY STATEMENT**

**OF THE**

**Delta Dental Plan of Arkansas, Inc.**

**Delta Dental Plan**

**Of**

**Arkansas, Inc.**

**of Sherwood**

**in the state of Arkansas**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF ARKANSAS**

**FOR THE QUARTER ENDED**

**March 31, 2003**

**HEALTH**

**2003**



47155200320100101

HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

Delta Dental Plan of Arkansas, Inc.

NAIC Group Code 0000 0000 NAIC Company Code 47155 Employer's ID Number 71-0561140

Organized under the Laws of , State of Domicile or Port of Entry

Country of Domicile

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ] Dental Service Corporation [X] Vision Service Corporation [ ] Health Maintenance Organization [ ] Other [ ] Is HMO Federally Qualified? YES [ ] NO [ ]

Date Incorporated or Organized: March 15, 1982 Date Commenced Business: August 1, 1982

Statutory Home Office: 100 Shadow Oaks Drive Sherwood, AR 72120

Main Administrative Office: 100 Shadow Oaks Drive Sherwood, AR 72120 501-835-3400

Mail Address: 100 Shadow Oaks Drive Sherwood, AR 72120

Primary Location of Books and Records: 100 Shadow Oaks Drive Sherwood, AR 72120 501-835-3400

Internet Website Address: www.deltadentalar.com

Statutory Statement Contact: Phyllis Rogers 501-992-1616 00000 progers@deltadentalar.com 501-992-1617 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: 100 Shadow Oaks Drive Sherwood, AR 72120 000-000-0000 00000

OFFICERS

President: Eddie Allen Choate Secretary: Robert Joe Matlock Treasurer: Harold Wayne Perrin

Vice-Presidents

Ina Lynn Harbert Phyllis Lynn Rogers Herman Eldon Hurd Joe Stanley Carter, Jr. Allen Dale Moore

DIRECTORS OR TRUSTEES

David Hiram Cole Ronald Paul Ownbey Harold Wayne Perrin Robert Joe Matlock Maxwell Usery Fleming Earl Alexander Gladden Robert Howard Gladden Ebb Weldon Johnson James Talbert Johnston Daniel Austin Lieblong

State of Arkansas County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature) Eddie Allen Choate (Signature) Robert Joe Matlock (Signature) Not Required (Printed Name) President (Printed Name) Secretary (Printed Name) Treasurer

Subscribed and sworn to before me this 8th day of May, 2003

NOTARY PUBLIC (Seal)

ASSETS

	Current Statement Date			4  Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3  Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	14,772,522		14,772,522	14,696,858
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	2,477,738		2,477,738	2,521,172
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	3,322,184	383,464	2,938,720	2,746,403
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 3,196,443 ) and short-term investments (\$ 0 )	3,196,443		3,196,443	3,088,080
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	23,768,887	383,464	23,385,423	23,052,513
11. Investment income due and accrued	169,583		169,583	269,026
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	437,088		437,088	122,448
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers				
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans	4,777,604		4,777,604	3,506,129
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset				
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	607,504		607,504	512,729
18. Furniture and equipment, including health care delivery assets (\$ 0 )	193,983	193,983		
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
21. Health care (\$ 0 ) and other amounts receivable				
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets	67,776	57,776	10,000	1,180
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	30,022,425	635,223	29,387,202	27,464,025
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	30,022,425	635,223	29,387,202	27,464,025

DETAILS OF WRITE-INS				
0901. PREPAID EXPENSES				
0902. MISCELLANEOUS RECEIVABLE				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. PREPAID EXPENSES	57,776	57,776		
2302. MISCELLANEOUS RECEIVABLE	10,000		10,000	1,180
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	67,776	57,776	10,000	1,180

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,685,000		2,685,000	2,127,000
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses	125,021		125,021	97,740
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	674,263		674,263	740,790
9. General expenses due or accrued	600,967		600,967	632,008
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans	2,685,749		2,685,749	2,453,553
21. Aggregate write-ins for other liabilities (including \$ 0 current)				55,317
22. Total liabilities (Lines 1 to 21)	6,771,000		6,771,000	6,106,408
23. Common capital stock	X X X	X X X		
24. Preferred capital stock	X X X	X X X		
25. Gross paid in and contributed surplus	X X X	X X X		
26. Surplus notes	X X X	X X X		
27. Aggregate write-ins for other than special surplus funds	X X X	X X X	50,000	50,000
28. Unassigned funds (surplus)	X X X	X X X	22,566,202	21,307,617
29. Less treasury stock, at cost:				
29.1 0 shares common (value included in Line 23 \$ 0 )	X X X	X X X		
29.2 0 shares preferred (value included in Line 24 \$ 0 )	X X X	X X X		
30. Total capital and surplus (Lines 23 to 28 less 29)	X X X	X X X	22,616,202	21,357,617
31. Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	29,387,202	27,464,025

DETAILS OF WRITE-INS				
2101. Accrued premium tax				55,317
2102.				
2103.				
2198. Summary of write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)				55,317
2701.	X X X	X X X	50,000	50,000
2702.	X X X	X X X		
2703.	X X X	X X X		
2798. Summary of write-ins for Line 27 from overflow page	X X X	X X X		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X	50,000	50,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year To Date
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	330,414	1,227,487
2. Net premium income (including \$ 0 non-health premium income)	X X X	11,915,673	42,089,864
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health care revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	11,915,673	42,089,864
Hospital and Medical:			
9. Hospital/medical benefits		10,021,380	36,011,966
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool,withhold adjustments, and bonus amounts			
16. Subtotal (Lines 9 to 15)		10,021,380	36,011,966
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		10,021,380	36,011,966
19. Non-health claims			
20. Claims adjustment expenses		291,631	1,411,176
21. General administrative expenses		618,184	3,254,317
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		10,931,195	40,677,459
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	984,478	1,412,405
25. Net investment income earned		143,235	697,059
26. Net realized capital gains or (losses)			638,813
27. Net investment gains or (losses) (Lines 25 plus 26)		143,235	1,335,872
28. Net gain or (loss) from agents' or premium balances charged off [( amount recovered \$ 0 ) (amount charged off \$ 0 )]			
29. Aggregate write-ins for other income or expenses		52,004	185,281
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	1,179,717	2,933,558
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	1,179,717	2,933,558

DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Miscellaneous Income		13,675	31,966
2902. Occupancy of Own Building Income		38,329	153,315
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		52,004	185,281

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2
	Current Year	Prior Year
	To Date	To Date
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting period	21,357,617	19,563,772
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	1,179,717	2,933,558
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	(66,661)	
37. Change in net unrealized foreign exchange capital gain or (loss)		(671,776)
38. Change in net deferred income tax		
39. Change in nonadmitted assets	145,529	(467,937)
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	1,258,585	1,793,845
49. Capital and surplus end of reporting period (Line 33 plus 48)	22,616,202	21,357,617

DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

Cash from Operations	1 Current Year to Date	2 Prior Year Ended December 31
1. Premiums collected net of reinsurance	11,747,611	42,389,400
2. Net investment income	143,235	697,059
3. Miscellaneous income	13,675	185,281
4. Total (Lines 1 through 3)	11,904,521	43,271,740
5. Benefit and loss related payments	9,463,380	37,804,911
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,240,488	3,269,823
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net tax on capital gains (losses)		
10. Total (Lines 5 through 9)	11,703,868	41,074,734
11. Net cash from operations (Line 4 minus Line 10)	200,653	2,197,006
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		12,644,379
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		12,644,379
13. Cost of investments acquired (long-term only):		
13.1 Bonds	138,409	13,196,160
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate	79,287	2,142,930
13.5 Other invested assets		
13.6 Miscellaneous applications		119,178
13.7 Total investments acquired (Lines 13.1 to 13.6)	217,696	15,458,268
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(217,696)	(2,813,889)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds received		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	125,406	(334,226)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus 16.6)	125,406	(334,226)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11, plus Line 15, plus Line 17)	108,363	(951,109)
19. Cash and short-term investments:		
19.1 Beginning of year	3,088,080	4,039,189
19.2 End of period (Line 18 plus Line 19.1)	3,196,443	3,088,080

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	104,766					104,766							
2. First Quarter	109,203					109,203							
3. Second Quarter													
4. Third Quarter													
5. Current Year	109,203					109,203							
6. Current Year Member Months													
Total Member Ambulatory Encounters for Period:													
7. Physician													
8. Non-Physician													
9. Total													
10. Hospital Patient Days Incurred													
11. Number of Inpatient Admissions													
12. Health Premiums Collected	11,747,611					11,747,611							
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	11,915,673					11,915,673							
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	9,463,380					9,463,380							
18. Amount Incurred for Provision of Health Care Services	10,021,380					10,021,380							



Statement as of March 31, 2003 of the Delta Dental Plan of Arkansas, Inc.

### CLAIMS PAYABLE (Reported and Unreported)

#### Aging Analysis of Unpaid Claims

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	2,011,739	7,451,641	306,700	2,378,300	2,318,439	2,127,000
4. Vision only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	2,011,739	7,451,641	306,700	2,378,300	2,318,439	2,127,000
10. Other non-health						
11. Medical Incentive pools, accruals and disbursements						
12. Totals	2,011,739	7,451,641	306,700	2,378,300	2,318,439	2,127,000

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**NOTES TO FINANCIAL STATEMENTS**

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GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes [ ☐ ] No [ X ]
- 1.2

If yes, explain:
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [ ☐ ] No [ X ]
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes [ ☐ ] No [ ☐ ]
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [ X ] No [ ☐ ]
- 3.2

If yes, date of change: 04/18/2003  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes, attach an explanation.

Yes [ ☐ ] No [ X ]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ☐ ] No [ X ]
- 5.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation.

Yes [ ☐ ] No [ X ] N/A [ ☐ ]
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

02/18/2003
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.  
This date should be the date of the examined balance sheet and not the date the report was completed or released.

02/18/2003
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

02/18/2003
- 7.4

By what department or departments? Arkansas Insurance Department
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [ ☐ ] No [ X ]
- 8.2

If yes, give full information
- 9.1

Is the company of a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ☐ ] No [ X ]
- 9.2

If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ☐ ] No [ X ]
- 9.4

If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities and Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES (Continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

INVESTMENT

- 10.1

Has there been any change in the reporting entity's own preferred or common stock?

Yes [ ☐ ] No [ ☒ ]
- 10.2

If yes, explain
- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [ ☐ ] No [ ☒ ]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$
13.

Amount of real estate and mortgages held in short-term investments:

\$
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [ ☐ ] No [ ☒ ]
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Statement Value	Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgages, Loans or Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above	\$	\$

- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [ ☐ ] No [ ☒ ]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes [ ☐ ] No [ ☒ ]
16.

Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ ☒ ] No [ ☐ ]
- 16.1

For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Stephens Capital Management	111 Center Street, Little Rock, AR 72201

- 16.2

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:
- 16.3

Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [ ☐ ] No [ ☒ ]
- 16.4

If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

- 16.5

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:
- | 1                               | 2       | 3       |
|---------------------------------|---------|---------|
| Central Registration Depository | Name(s) | Address |
|                                 |         |         |
|                                 |         |         |
|                                 |         |         |
|                                 |         |         |

SCHEDULE A - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,249,023	997,486
2. Increase (decrease) by adjustment	(6,126)	(10,571)
3. Cost of acquired	79,287	2,262,108
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	3,322,184	3,249,023
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	3,322,184	3,249,023
11. Total nonadmitted amounts	383,464	502,620
12. Statement value, current period (Page 2, real estate lines, current period)	2,938,720	2,746,403

SCHEDULE B - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period		

SCHEDULE BA - VERIFICATION  
Other Invested Assets Included in Schedule BA

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period		

SCHEDULE D - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	17,218,030	16,830,112
2. Cost of bonds and stocks acquired	138,409	13,196,160
3. Accrual of discount	(39,518)	
4. Increase (decrease) by adjustment	(66,661)	(802,676)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		638,813
7. Consideration for bonds and stocks disposed of		12,644,379
8. Amortization of premium		
9. Book/adjusted carrying value, current period	17,250,260	17,218,030
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	17,250,260	17,218,030
12. Total nonadmitted amounts		
13. Statement value (Lines 11 minus 12)	17,250,260	17,218,030

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book / Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book / Adjusted Carrying Value End of First Quarter	6 Book / Adjusted Carrying Value End of Second Quarter	7 Book / Adjusted Carrying Value End of Third Quarter	8 Book / Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1	8,959,157	138,409		(62,745)	9,034,821			8,959,157
2. Class 2	5,737,701				5,737,701			5,737,701
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	14,696,858	138,409		(62,745)	14,772,522			14,696,858
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	14,696,858	138,409		(62,745)	14,772,522			14,696,858

NONE	Schedule DA - Parts 1 and 2
NONE	Schedule DB - Part F - Section 1
NONE	Schedule DB - Part F - Section 2
NONE	Schedule S



SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only Year to Date					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
1.	Alabama	AL	NO						
2.	Alaska	AK	NO						
3.	Arizona	AZ	NO						
4.	Arkansas	AR	YES	11,915,673					
5.	California	CA	NO						
6.	Colorado	CO	NO						
7.	Connecticut	CT	NO						
8.	Delaware	DE	NO						
9.	Dist. Columbia	DC	NO						
10.	Florida	FL	NO						
11.	Georgia	GA	NO						
12.	Hawaii	HI	NO						
13.	Idaho	ID	NO						
14.	Illinois	IL	NO						
15.	Indiana	IN	NO						
16.	Iowa	IA	NO						
17.	Kansas	KS	NO						
18.	Kentucky	KY	NO						
19.	Louisiana	LA	NO						
20.	Maine	ME	NO						
21.	Maryland	MD	NO						
22.	Massachusetts	MA	NO						
23.	Michigan	MI	NO						
24.	Minnesota	MN	NO						
25.	Mississippi	MS	NO						
26.	Missouri	MO	NO						
27.	Montana	MT	NO						
28.	Nebraska	NE	NO						
29.	Nevada	NV	NO						
30.	New Hampshire	NH	NO						
31.	New Jersey	NJ	NO						
32.	New Mexico	NM	NO						
33.	New York	NY	NO						
34.	North Carolina	NC	NO						
35.	North Dakota	ND	NO						
36.	Ohio	OH	NO						
37.	Oklahoma	OK	NO						
38.	Oregon	OR	NO						
39.	Pennsylvania	PA	NO						
40.	Rhode Island	RI	NO						
41.	South Carolina	SC	NO						
42.	South Dakota	SD	NO						
43.	Tennessee	TN	NO						
44.	Texas	TX	NO						
45.	Utah	UT	NO						
46.	Vermont	VT	NO						
47.	Virginia	VA	NO						
48.	Washington	WA	NO						
49.	West Virginia	WV	NO						
50.	Wisconsin	WI	NO						
51.	Wyoming	WY	NO						
52.	American Samoa	AS	NO						
53.	Guam	GU	NO						
54.	Puerto Rico	PR	NO						
55.	U.S. Virgin Islands	VI	NO						
56.	Canada	CN	NO						
57.	Aggregate Other Alien	X X X	X X X						
58.	Total (Direct Business)	X X X	(a) 1	11,915,673					

DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for Line 57 from overflow page						
5799. Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)						

(a) Insert the number of yes responses except for Canada and other Alien.

**NONE                      Schedule Y - Part 1**

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

YES

EXPLANATION:

BAR CODE:

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OVERFLOW PAGE FOR WRITE-INS

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NONE	Schedule A - Part 2 and 3
NONE	Schedule B - Part 1 and 2
NONE	Schedule BA - Part 1 and 2

## SCHEDULE D - PART 3

**Showing all Long-term Bonds and Stock Acquired by the Company During the Current Quarter**

[illegible]

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues	0
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NONE	Schedule D - Part 4
NONE	Schedule DB - Part A and B - Section 1
NONE	Schedule DB - Part C and D - Section 1

